

ASSEMBLY BILL

No. 493

Introduced by Assembly Member Medina

February 23, 2015

An act to add Section 12765 to, the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 493, as introduced, Medina. Insurance.

Existing law governs home protection contracts for the repair or replacement of a component, system, or appliance of a home. Existing law prohibits a person from issuing or offering to issue home protection contracts in this state unless the person holds a home protection company license issued by the Department of Insurance, except as specified. Existing law requires a home protection contract to specify, among other things, the service fee or fees, in any, to be charged for services performed under the contract.

This bill would prohibit a home protection contract, issued, delivered, amended, or renewed on or after January 1, 2016, from charging a service fee or fees if no repair is made.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 12765 is added to the Insurance Code,
- 2 to read:
- 3 12765. For policies issued, delivered, amended, or renewed in
- 4 this state on or after January 1, 2016, a home protection company

- 1 shall not charge a service fee if a contractholder requests services
- 2 to be performed by the home protection company but no repair is
- 3 made.